

**USAID/East Timor**  
**ANNUAL REPORT FY 2003**

3/13/2003

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2003 Annual Report and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

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## **A. Program Level Narrative**

### **Program Performance Summary:**

#### **A Challenging Development Setting**

On May 20, 2002 Timor Leste became the newest nation of the new Millennium, but unfortunately, on that day, it also became the poorest nation in Asia. Although Timor-Leste managed to complete a rapid transition from UN administration to self-rule which included development of a constitution, election of President, Xanana Gusmao, transformation of the Constituent Assembly to the National Parliament, and inauguration of the new Cabinet of Ministers, the challenge that Timor-Leste must overcome are formidable. Basic income, health, and literacy indicators are among the lowest in Asia. Lack of trained and competent personnel to staff newly established executive, legislative and judicial institutions hinder progress. Large income gap between urban and rural areas, and lack of infrastructure and resources in rural areas has pulled many migrants to seek jobs in the relatively few urban areas. High public expectation about the benefit of independence is largely unmet and recent riot in Dili clearly illustrated the frustration felt by most of Timorese.

One advantage of the newly Timor-Leste nation is being debt-free nation and the government is committed to maintain the status. With limited resource and anticipation of revenues from offshore oil and gas reserve that come on-line in late 2004, its three-year budget remains dependent on foreign assistance. Although the situation offers great hope for the country, effective use of those resources will require a major transformation of the country's current human and institution infrastructure. Timor-Leste per capita income in 2001 is estimated at \$478, but with the departure of international personnel after independence is predicted to decline by an estimated one percent in the real GDP in 2002.

#### **USAID Role and Response**

U.S. foreign policy interests in Timor-Leste focus on helping the transition to a democratic government and market economy. USAID provided significant assistance to Timor-Leste following the violence and destruction of September 1999. USAID activities support two goals: (1) promoting economy recovery, particularly by encouraging rural employment and community rehabilitation, and (2) strengthening democratic development by building basic democratic institutions at the national and local level. USAID made notable progress towards achieving these objectives in 2002.

USAID resources benefit the citizens of Timor-Leste, particularly rural farm families, coffee cooperative members and their families, Timore civil society institutions including media and non-governmental organizations; government of Timor-Leste institutions, including the National Parliaments, key economic and political ministries, and political parties.

#### **Cooperation with Other USG and Donor Agencies**

As one of the first and largest foreign aid providers during Timor-Leste's transition period, the United States is recognized as a credible and efficient source of outside advice and assistance by Timorese. Other major bilateral donors are Japan, Australia and Portugal. Coordination among donors is excellent with twice-yearly conferences through May 2003, and will be continued annually. In addition, a monthly coordination meeting is also held in Dili chaired by the Vice Minister of Finance and Planning. Donors support the World Bank-managed Transitional Support Program, which provides support to the Timor-Leste national budget with benchmarks linked to the five-year National Development Plan. USAID also works closely with The International Monetary Funds, World Bank and Asian Development Bank which engaged in the management of economic policy as well as the development of broad strategic objectives.

**Environmental Compliance:** Initial Environmental Examinations (IEE) have been completed for significant activities. These activities are in compliance with previously approved Initial Environmental

Examinations (IEE). Additional IEEs are required for the Mission's program, and are planned for this year. The Mission does not anticipate any issues related to the implementation of requirements under 22 CFR216 in FY 2003.

The current status of IEE by Strategic Objective:

472-03 Democratic Development Strengthened

Transition Support Program: Categorical Exclusion; no further action required.

IEE required, planned for this fiscal year:

472-04 Democratic Development Strengthened

Strengthening Legislative Process

Strengthening of Judicial System

Civil Society Development

Small Grants Support Program

472-001 Revitalization of Local Economy

Cooperativa Café Timor (CCT): previous IEE requires amendment

New activities requiring Environmental Reviews:

472-001 Revitalization of Local Economy

Peace Corps, Small Infrastructure

Property and Land Rights Program, BASIS IQC

Microenterprise Development Program, AMAP IQC

Agricultural Diversification Support Program, Soil and Water Management CRSP

All activities under the SO Democratic Development Strengthened are likely to be categorical exclusions. Several of the activities under the SO Revitalization of Local Economy may have environmental impacts.

### **Country Closeout & Graduation:**

## **D. Results Framework**

### **472-001 Revitalization of the Local Economy**

IR 1.4. Worker productivity increased

IR 1.4.1. Increased access to health facilities

IR 1.1. Coffee cooperatives strengthened to be sustainable

IR 1.1.1. Improved management skills

IR 1.1.2. New cash crops introduced

IR 1.2. Rural employment increased

IR 1.2.1. Increased production and sales of coffee

IR 1.3. Rural infrastructures rehabilitated

IR 1.3.1. Increased community participation in development projects

### **Discussion:**

### **472-003 Democratic Development Strengthened**

IR 3.1.1. Strengthened Independent Media

IR 3.1.2. Strengthened NGO's

IR 3.1.3. Strengthened Political Parties

IR 3.1.4. Strengthened Civilian Oversight of Uniformed Forces

IR 3.1.5. Decentralized, Accountable Local Government Publicly Debated and Established

IR 3.2. Improved Citizen Access to Justice

IR 3.2.1. Procedures Established and Followed Linking Court Police and Prison

IR 3.2.2. Improved Skills of Judicial Personnel

- IR 3.1. Increased Public Participant in Governance
- IR 3.2.3. Increased Knowledge of Law Rights and Legal Process
- IR 3.2.4. Strengthened Judicial Institutions
- IR 3.2.5. Increased Access to Legal Aid
- IR 3.3. Strengthened Independent Institutions
- IR 3.3.1. Strengthened Legislatur
- IR 3.3.2. Independent Electoral Commission
- IR 3.3.3. Public Broadcasting Service

**Discussion:**

## Selected Performance Measures - East Timor

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Indicator (all data should pertain to FY or CY 02)	OU Response	Significant Result: Description of the significant result for a strategic objective	Data Quality Factors: Information relevant to the collection of this indicator data, e.g. "this data was not collected last year because it is only collected every five years."
<b>Pillar I: Global Development Alliance</b>			
Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?			
472-001 Revitalization of the Local Economy			
a. How many alliances did you implement in 2002? (list partners)			
b. How many alliances do you plan to implement in FY 2003?			
What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?			
<b>Pillar II: Economic Growth, Agriculture and Trade</b>			
<b>USAID Objective 1: Critical, private markets expanded and strengthened</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
<b>USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
472-001 Revitalization of the Local Economy	Yes		<div>USAID's Coffee Cooperative Project, the largest private sector economic development in Timor-Leste, provides income for over 20,000 rural farm families</div> <div>Actual 2002 data on coffee exports from Timor Leste and income/employment generated for cooperative members. USAID implementer data and field reports</div>
<b>USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
472-001 Revitalization of the Local Economy	Yes		<div>Over 1,000 farmers have received training through agricultural extension activities and training for small-scale and micro-entrepreneurs.</div> <div>Actual 2002 data on coffee exports from Timor Leste and income/employment generated for cooperative members. USAID implementer data and field reports</div>
<b>USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Number of children enrolled in primary schools affected by USAID basic education programs (2002 actual)	Male	Female	Total
b. Number of children enrolled in primary schools affected by USAID basic education programs (2003 target)	Male	Female	Total
<b>USAID Objective 5: World's environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable urbanization,</b>			
Did your program achieve a significant result in the past year that is likely to contribute to this objective?			
a. Hectares under Approved Management Plans (2002 actual)			

b. Hectares under Approved Management Plans (2003 target)				
Pillar III: Global Health				
USAID Objective 1: Reducing the number of unintended pregnancies				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	%			
USAID Objective 2: Reducing infant and child mortality				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male	Female	Total	
Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male	Female	Total	
Were there any confirmed cases of wild-strain polio transmission in your country?				
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
Percentage of births attended by medically-trained personnel (DHS/RHS)	%			
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries				
Did your program achieve a significant result in the past year that is likely to contribute to this objective?				
a. Total condom sales (2002 actual)				
b. Total condom sales (2003 target)				
National HIV Seroprevalence Rates reported annually (Source: National Sentinel Surveillance System)	%			
Number of sex partners in past year (Source: national survey/conducted every 3-5 years)per DHS or other survey)				
Median age at first sex among young men and women (age of sexual debut) ages 15-24 (Source: national survey/conducted every 3-5 years) per DHS or other survey)	Male	Female	Total	
Condom use with last non-regular partner (Source: national survey/conducted every 3-5 years)per DHS or other survey)	%			

Number of Clients provided services at STI clinics				
Number of STI clinics with USAID assistance				
Number of orphans and other vulnerable children receiving care/support				
Number of Orphans and Vulnerable Children programs with USAID assistance				
Number of community initiatives or community organizations receiving support to care for orphans and other vulnerable children				
Number of USAID-supported health facilities offering PMTCT services				
Number of women who attended PMTCT sites for a new pregnancy in the past 12 months				
Number of women with known HIV infection among those seen at PMTCT sites within the past year.				
Number of HIV-positive women attending antenatal clinics receiving a complete course of ARV therapy to prevent MTCT (UNGASS National Programme & Behavior Indicator #4)				
Number of individuals reached by community and home-based care programs in the past 12 months				
Number of USAID-assisted community and home-based care programs				
Number of clients seen at Voluntary Counseling and Testing (VCT) centers				
Number of VCT centers with USAID assistance				
Number of HIV-infected persons receiving Anti-Retroviral (ARV) treatment				
Number of USAID-assisted ARV treatment program				
a. Number of individuals treated in STI programs (2002 actual)	Male	Female	Total	
b. Number of individuals treated in STI programs (2003 target)	Male	Female	Total	
a. Is your operating unit supporting an MTCT program?				
b. Will your operating unit start an MTCT program in 2003?				



a. Number of individuals reached by community and home based care programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by community and home based care programs (2003 target)	Male	Female	Total	
a. Number of orphans and vulnerable children reached (2002 actual)	Male	Female	Total	
b. Number of orphans and vulnerable children reached (2003 target)	Male	Female	Total	
a. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 actual)	Male	Female	Total	
b. Number of individuals reached by antiretroviral (ARV) treatment programs (2003 target)	Male	Female	Total	

**USAID Objective 5: Reducing the threat of infectious diseases of major public health importance**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

a. Number of insecticide impregnated bed-nets sold (Malaria) (2002 actual)				
b. Number of insecticide impregnated bed-nets sold (Malaria) (2003 target)				
a. Proportion of districts implementing the DOTS Tuberculosis strategy (2002 actual)	%			
b. Proportion of districts implementing the DOTS Tuberculosis strategy (2003 target)	%			

**Pillar III: Democracy, Conflict and Humanitarian Assistance**

**USAID Objective 1: Strengthen the rule of law and respect for human rights**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

**USAID Objective 2: Encourage credible and competitive political processes**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

472-003 Democratic Development Strengthened	Yes			USAID assistance contributed to Presidential elections in April 2002 with 86% voter turnout that "clearly met international standards for freeness and fairness" according to international observers.	Quantitative data on voter turnout and election observers from April 2002 elections. Qualitative reports from NGO implementing partners.
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**USAID Objective 3: Promote the development of politically active civil society**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

472-003 Democratic Development Strengthened	Yes			As a result of intensive USAID training for journalists and editors and an election watch radio program, Timor-Leste's media provided professional and objective coverage of the April 2002 election.	Qualitative reports from NGO implementing partners including Focus Group research.
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**USAID Objective 4: Encourage more transparent and accountable government institutions**

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

472-003 Democratic Development  
Strengthened

Yes

USAID support to the National Parliaments helped develop basic parliamentary rules and procedures, including an instruction manual for legislators and staff; strengthen committees, encourage public hearings and build more effective press relations.

Qualitative reports from NGO implementing partners including Focus Group research.

USAID Objective 5: Mitigate conflict

Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?

Number of refugees and internally displaced persons assisted by USAID	Male	Female	Total	
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USAID Objective 6: Provide humanitarian relief

Did your program achieve a significant result in the past year that is likely to contribute to this objective?

Number of beneficiaries				
Crude mortality rates	%			
Child malnutrition rates	%			
Did you provide support to torture survivors this year, even as part of a larger effort?				
Number of beneficiaries (adults age 15 and over)	Male	Female	Total	
Number of beneficiaries (children under age 15)	Male	Female	Total	